Collaboration between the VCFSE and Public Sector in Somerset: challenge or opportunity?

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Preface

This report was prepared as part of the State of the Sector research (2024) being undertaken for Spark Somerset by Quay Research. A key theme identified has been the growing challenge of partnership working between the voluntary, community, faith and social enterprise (VCSFE) sector and the Public Sector, in a time of increasing demand and rising costs. In response to a specific request from Duncan Sharkey, CEO of Somerset Council, we drew on the findings of the research to explore the question 'Collaboration between the VCFSE and Public Sector Somerset: challenge or opportunity?'

How was data collected?
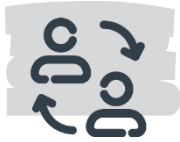
32 one-to-one interviews with representatives of VCFSE organisations from the very smallest (2 people) to the largest (many employees and turn over in the millions).

3 group interviews with members of the Leaders' Group, Equality Group and Children and Young People's Mental Health Group.

A preliminary look at the State of the Sector survey which generated 318 individual responses.

A desk-based review of policy documents, reports from think-tanks and national VCFSE organisations, and academic papers.

Informed consent was obtained from all survey and interview contributors. The interviews and qualitative responses from the survey were analysed using discourse analysis – a method which asks not only how many times a topic was raised but how it was spoken about.

The survey responses have undergone a preliminary analysis for this report. More detailed analysis can be found in the 2024 State of the Sector report.

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Contents

Key messages

The relationship between the public sector and the local VCSFE sector is critical. We need to get this relationship right so that the Council, Integrated Care System, and VCFSE can deliver on their ambitions. More importantly, we need to get this relationship right so we can support Somerset communities to be happy and healthy.

The evolving landscape of service design presents both opportunities and challenges for Somerset's VCFSE sector. Careful management is required to fully harness strategic advantages and address operational risks.

VCFSE organisations in Somerset are flexible and adaptable. They are crucial to the county and perform a variety of roles such as supporting public services to being contracted by statutory services to support communities.

Effective commissioning can energise, mobilise and create capacity in the VCFSE. Badly done, commissioning presents significant challenges and risks to VCFSEs. In some cases, commissioning is seen as a 'closed shop' which negatively impacts VCFSEs and the people they support. We need to ensure that public sector commissioning processes acknowledge and respect VCFSE sector diversity throughout integration.

The VCFSE sector in Somerset faces significant financial pressures due to reduced public funding, underfunded contracts and over-reliance on short-term funding. All combined, sustainability is threatened - which restricts long-term planning and delivery.

Sustainable investment in the VCFSE sector is needed. Short-term funding has long-term impact. VCFSEs can't plan for the future. Staff retention is affected, and organisations can become unstable. Funding needs to be more flexible and acknowledge core costs.

Small and micro organisations (which make up over 50% of the sector in Somerset) are particularly vulnerable due to limited funding and resources. These organisations are essential to community health but often operate below the radar of formal commissioning processes. Small and micro organisations can be nurtured through longer-term, flexible funding models; centralised support for core functions (e.g. legal services, HR); funding advice; streamlined application and reporting processes; greater recognition of the value and impact voluntary organisations provide without necessarily using the measures currently preferred by funders or commissioners.

Organisations large and small provide an important safety net for vulnerable people and communities. Yet, many VCFSEs feel like they have to 'behave' more like public sector organisations. Close partnerships between the VCFSE sector and public bodies can lead to the appropriation of voluntary sector resources by the public sector. This undermines the VCFSE sector's effectiveness and sense of autonomy.

While progress has been made, more is needed to build trust. Relationships need to be nurtured across sectors for the ICS model to reach its full transformative potential in Somerset. The question is, are all parts of the system mature enough to fully embrace *collaborative* working at all levels?

Recommendations

Addressing the challenges faced by Somerset's VCFSE sector require changes across all levels of the system. This includes streamlined funding processes, supporting long-term capacity building, and recognising the value, power and potential of a diverse VCFSE sector in Somerset. Specific recommendations are as follows:

1. **We need true co-production and delivery that uses the following questions as a touchstone:** 'what is the ask of VCSFEs?' and 'what is the offer to VCSFEs?'. We need to ensure that the VCFSE voice is not only strongly represented but listened to, respected, and acted upon. Diversity of the sector is a key strength which must be embraced. Central to this recommendation is a well-supported Local Infrastructure Organisation.

2. **Commissioning processes must be inclusive and accessible to all VCFSEs who wish to participate.** This requires thinking outside of the box with commissioning options such as Collaborative Commissioning, Community Commissioning and Single Point of Commissioning (drawing on learning from elsewhere in the UK). These models prioritise local knowledge and community connections as key criteria in the commissioning process. It also ensures that the unique strengths of smaller, local organisations are valued and harnessed.

3. **We need to build meaningful, equal relationships, where shared understanding and 'parity of esteem' becomes the norm.** We need to build this into our induction for new staff, training and internal communications.

4. **Ensure that the Memorandum of Understanding between the VCFSE and Public Sector partners becomes a living document** that is widely understood, shared and regularly reviewed.

5. **Develop a long-term and flexible funding model for VCFSEs** which recognises the diversity of the sector. This should involve: i) testing current practice against the eight commitments to managing grants and relationships developed by Voluntary Action Research (Appendix 1); and ii) reviewing and applying learning from Community Foundations.

6. **Support the eco-system of small and micro VCFSEs.** A review of training needs, access to resources, guidance, and the role of peer support or mentorship will help target initiatives. Where VCFSEs are having people signposted to them, appropriate support and funding should be provided to ensure that the VCFSE has the capacity to help. This requires **funding to travel alongside the person being supported** – not being diluted at each intersection.

7. **Ensure the whole integrated care system is fit for purpose** by testing Somerset against the SCIROCCO tool of system maturity (p.13), with a particular focus on the relationship between the public sector and VCFSEs in each of the tool's 12 dimensions (readiness to change; structure and governance; e-health services; standardisation and simplification; funding; removal of inhibitors; population approach; citizen empowerment; evaluation methods; breadth of ambition; innovation management; and capacity building).

Background context

The relationship between the public sector (Somerset Council/NHS) and the local VCFSE sector is critical to healthy and resilient communities in Somerset. A flourishing VCFSE sector will help deliver on all four Council Plan ambitions (a greener, more sustainable Somerset; a healthy and caring Somerset; a fairer, ambitious Somerset; a flourishing and resilient Somerset) (Somerset Council, 2023). The VCSFE sector is a key strategic partner in the shared aim of improving lives in Somerset. There is a commitment from Somerset Council for the VCFSE sector to be engaged, involved and influential with shaping service design and delivery (Somerset Council, 2023).

The emerging landscape of service design and delivery presents opportunities and challenges for the VCFSE sector in Somerset. There may be advantages of this for some VCFSEs in terms of financial stability, strategic direction and continuity of service provision, but there are also significant challenges. This report explores how these challenges are being experienced by the VCFSE sector in our county.

Drawing on insights from national voluntary sector organisations and think tanks, academic publications and recent research in Somerset itself (State of The Sector 2024), this report outlines key considerations and sector-wide concerns that need addressing if the local authority and the VCFSE sector are to have an equitable and sustainable relationship in supporting individuals and communities throughout Somerset. It is structured around three key themes:

- Commissioning
- Funding and sustainable investment
- Substitution and appropriation

VCFSEs and the Public Sector

We need to critically reflect on the relationship between the VCFSE sector, the Local Authority and ICS. Are we appreciating and harnessing the VCFSE sector's strengths of diversity and dynamism?

The voluntary sector is organic and dynamic. Individuals, groups and networks support community members through an ethic of care which aligns to what is locally valued and needed. These qualities are regarded as a strength – enabling the voluntary sector to be adaptable, flexible and responsive. But they are also a source of tension – particularly when the rapid integration of VCFSEs into local health and care systems is considered.

The VCFSE sector in Somerset is incredibly diverse. Around 50% of organisations fall within the smallest type by income (income of less than £50k per annum). This group of organisations undertake a variety of roles in Somerset. Some enhance public services through bespoke activities such as a chat café. Some substitute public services (especially non-statutory functions) by delivering contracted or commissioned projects on behalf of statutory services. The groups fulfilling these roles are supported and funded in different ways. This variety is reflected by the relationship shared between respective VCFSE's and local authority.

> "We really want to work with the public sector, to build relationships - and we recognise the value of doing that. But we have lots of pressures on and it needs to be worthwhile.
>
> If I thought we were going to attend a meeting where we could innovate, be strategic... Then I'd happily put time into this. But we're not seeing any movement at all from the Council or the ICB. At the moment, I'm not convinced it's at all worthwhile for us to be working with them."

The Local Government Association (2022) has devised a typology of relationships between local authorities and the VCFSE sector. It reflects both the kind of relationship, and also the mechanisms through which they are facilitated. While the typology isn't exhaustive, it does provide a basis for critical self-reflection within the ICS, based on the following questions:

- Does the Local Authority provide the VCFSE sector with a say over the direction of council strategy and policy?
- Does the Local Authority support the regular and embedded engagement of the VCFSE sector in everyday working, for example through local infrastructure organisations?
- Does the Local Authority target engagement on a neighbourhood-by-neighbourhood basis?
- Does the Local Authority meaningfully engage the VCFSE sector in commissioning opportunities?
- Does the Local Authority facilitate the delivery of council services by the VCFSE sector?

Critical self-reflection on these issues is more than simply mapping current relationships. It also involves considering how leadership is distributed, asking where power can be relinquished, being transparent about challenges, and - importantly - maintaining lines of communication. Relationships of trust are fundamental to this, but they're also fragile. If mutual trust doesn't exist, where is the opportunity for innovation? Instead, systems retreat into established processes to secure service delivery. An example of this is commissioning, to which we now turn.

Commissioning

Getting commissioning right will energise the VCSFE sector (but to get it right, VCFSEs need be respected and have their voices genuinely heard)

Getting commissioning right promises to energise, mobilise and create capacity within the VCFSE sector. This is because it is perceived to be an "*innovative, nimble and flexible sector which is embedded in, and reaches out to, communities and particularly hard-to-reach groups*" (Hucklesby and Corcoran, 2016: 6). Getting the commissioning process wrong, however, can be detrimental for VCFSEs. Currently, VCFSE participation in public services does not happen on a level playing field in Somerset, as outlined by our interviewees:

> "… the system has capital letters. So, it's 'The System' and you're either in it or you're not. And we're very much embedded into that as a *voluntary sector partner.*"

- The VCFSE sector is not a homogenous entity but a diverse aggregation of different kinds and sized organisations (e.g. interviewee 24 and 29).
- Commissioning processes can fail to recognise the added value that small, local organisations can bring such as local knowledge and support, additional resources, flexibility and commitment (e.g. interviewee 16, 30 and 32).
- Some VCFSEs do not always have the capacity, capability, infrastructure, expertise and willingness to deliver public services (interviewee 23, 27, 13).
- The current public service delivery model favours large organisations which can navigate complex commissioning systems, carry risk, and bid competitively, muscling out smaller and more local organisations with the consequent loss of local knowledge and trust (interviewee 20, 27).

Right now, a key challenge for integration between the VCFSE sector and public service is to acknowledge diversity when it comes to commissioning in Somerset. Collaborative Commissioning (Sheaff et al, 2023), Community Commissioning and Single Point of Commissioning (e.g. Nova, n.d) are alternative models which prioritise local knowledge and community connections as key criteria in the commissioning process. This encourages the unique strengths of smaller, local organisations to not only be valued but utilised.

Beyond questions about formal commissioning structures are issues surrounding funding and sustainable investment in the overall Somerset VCSFE sector.

Funding and sustainable investment

Underfunded contracts, less money in the system, and short-term funding are the most pressing issues for VCFSEs.

Funding is a big topic with questions around resource distribution, fairness, value for money, quality assurance processes, governance and reporting. The VCFSE sector is funded through a mixture of sources like the National Lottery, donations, legacies, trading, and contracts. In recent decades, partnerships between local government and the voluntary sector have grown. For many VCFSEs, a proportion of their funding may come from local government. This makes VCFSE finances potentially vulnerable in several ways, which we explore below.

> *"Where it's five-, six-year projects, it's actual investment in the community, not project, and its investment in the people, not us."*

Less money in the system

Local government remains an important source of the charity sector's income nationally. It provides 13p in every £1 through grants and contracts (Kitson, 2024). In the 2024 Somerset State of the Sector survey, 73.11% of respondents strongly agreed/agreed with the statement that funding was harder to find. Meanwhile, the top 6 impacts from the cost-of-living crisis on Somerset's VCFSEs were:

- Increased demand on their service
- Increased cost of lighting and heating premises
- Decreased funding from public sources
- Increased cost of equipment and supplies
- Decreased funding from private donations
- Increased cost of hiring space to conduct activities

Added to this, 80.51% of respondents strongly agreed/agreed with the statement that there is more competition for funding. The challenges of demonstrating impact and value to funders, especially for smaller organisations, only adds to increased pressure and underlying competition.

Underfunded Contracts

The NPC national State of the Sector Report for 2024 identifies underfunded contracts as a key risk for charities (NPC, 2024). Ultimately, this negatively impacts delivery of essential public services. It is

> *"Funders do not want to address the Full Cost Recovery issue. Recent contracts from the Council have stipulated that we can only claim 15% towards overheads... This is exacerbated by lack of uplifts to contracts in multi-year programmes... Ultimately charities are expected to do more with less and it is unsustainable."*

common for VCFSEs to be viewed as a resource which can provide services more cost-efficiently than the statutory sector. Moreover, there are potential sources of funding which are not available to statutory agencies. However, the voluntary sector should not be viewed as a cheap or, in some cases, free resource (Hucklesby and Corcoran, 2016). The experience of one VCFSE in Somerset illustrates the issue and highlights the way service provision can be devalued:

> *"So, we were commissioned to run some [XXX] schemes [by the local authority]. We were asked to put a bid in, which we did, we [were] then told it was too high. So, we had to reduce it, probably by about a quarter to make that work. And then this is a piece of work that we're still doing. And what we're finding is we're having to go and seek funding to be able to continue that."*

Short-Term Funding

Short-term funding was ranked as the most pressing risk to the finances of VCFSEs in Somerset's 2024 State of the Sector. The Local Government Association (2022) identifies the problem with short-term funding and lack of long-term investment. These become key barriers to successful relationships between

local authorities and the VCSFE sector. Voluntary sector organisations in Somerset face significant challenges in securing core funding and sustainable income streams. Many rely heavily on short-term grants and project-based funding. This makes long-term planning and capacity building within the organisation extremely difficult. The problem of short-term funding impacts the whole sector, from the small community groups to the organisations which turnover millions in Somerset.

Short-term funding presents several issues. First, staff on short-term contracts face job insecurity, possibly impacting the quality of the support they provide. Second, staff start looking for new employment before the end of their contract (again, impacting delivery). Third, if staff leave the organisation, a great deal of information, insight, learning and experience goes with them. Fourth, short-term funding doesn't allow for long-term planning and evaluation. Finally, time that could be spent supporting people is being spent chasing small grants (which may not be awarded, so time wasted) resulting in community members ultimately losing out.

Nurturing the Ecosystem

The ecosystem of small VCFSEs is critical to the functioning of society and Somerset's needs to be nurtured.

The 2024 State of the Sector Survey for Somerset shows that 47.1% of respondents consider themselves in the micro or small income category (less than £10k and less than £50k a year). A further 10% fall into the second 'small' category (income less than £100k). These are the organisations which form the all-important 'ecosystem' of the VCFSE sector in Somerset and are likely to be funded through grants, donations and legacies. They are the least likely to be involved in formal commissioning processes because of their size, reach, or the nature of the activities they offer. They might make multiple time-consuming applications to a variety of funders for small amounts of money every year (interview 15, 18 and 27) – all of which take significant amounts of time. The smallest components of the ecosystem barely get on the radar of the local authority or the ICS. Nevertheless, it's a critical part of the sector which fills the gaps that few know exist – often working with vanishingly small amounts of money.

To address the challenges they face, small VCFSEs employ various strategies from diversifying income streams to sharing resources with other organisations. However, many VCFSEs in Somerset feel that more systemic solutions are needed, such as:

1. Longer-term, flexible funding models that cover core costs (interview 5, 15, 18 and 21).
2. Centralised support for legal services, HR, and funding advice tailored to the voluntary sector (interviewee 8 and 9). This would usually be something the Local Infrastructure Organisation (LIO) - in this case Spark Somerset- could consider undertaking. This highlights the importance of LIO's needing to be adequately funded to provide support, mentoring and advice to the VCFSE sector.
3. Streamlining applications and reporting processes (interviewees 5 and 15). There is much to learn from The Institute for Voluntary Action Research's (n.d.) eight commitments to managing grants and relationships. These principles reflect funders' confidence in, and respect for, the organisations they fund (Appendix 1).
4. Greater recognition of the value and impact voluntary organisations provide without necessarily using the measures currently preferred by funders or commissioners in the Council or NHS (interviewees 22, 27 and 29).

Much can be learned from the Community Foundation model in Somerset and the UK more generally. Community Foundations are charitable organisations dedicated to improving the quality of life in specific geographic areas by supporting local charitable activities (UK Community Foundations 2024). They take a place-based approach and ensure their funding addresses the most pressing issues. Community Foundations support grassroot organisations while simultaneously seeking to strengthen the capacity of voluntary organisation through training and development. Flexible funding is also provided which can be used for a variety of purposes including core costs, project funding, and emergency needs. This flexibility is vital for voluntary organisations, especially during times of crisis or change.

Not only is there a lot to be learned from the way Community Foundations operate, but they also possess a wealth of data on the impact of the smallest VCFSEs which could help the public sector to understand more about the scale of services and extent of support provided by VCFSEs. It's to this all-important societal safety net that we now turn.

Filling the Gaps: Substitution and Appropriation

When acting as a safety net tips over into appropriation of VCSFEs by the system, organisations face an existential threat.

VCFSEs have a long history of 'filling the gaps' left by the market or the state (Hogg and Baines, 2011). However, the relationship between the voluntary sector and local authorities has changed over the last forty to fifty years from one of safety net to essential component of delivery (Dacombe and Morrow, 2016). In this section, we look at *substitution* and *appropriation*, which describe different dynamics in the relationship between VCFSEs and the local authority.

> *"The Council make referrals to us – but it feels like they're just trying to get them off their books. Then if the young person needs further support, they're really reluctant to take them back."*

Substitution

Substitution is what happens when VCFSEs step in to provide services that have traditionally been the responsibility of the government, becoming a societal 'safety net' (Power and Skinner, 2019). It has also been described as a 'shadow state' (Wolch, 1990) through which risk and responsibility have been devolved. One impact of this on the voluntary sector is increased demand, sometimes without a corresponding increase in funding which in turn adds to financial and operational stress. This happens because a service-user or client is 'signposted' to a particular organisation (e.g. by a social prescriber, Village and Community Agent, Parent or Family Support Advisor) without any funding to follow for VCFSE who ends up supporting that person.

> *"The vast majority of our referrals come from the local authority. It's emotional blackmail. How can we refuse a young person who meets our criteria and needs our help? The local authority hand them over at no cost to them and trust to luck that we can support each case. Often, we can't respond, and the emotional load is left with our team as they try desperately to find resources to support the child."*

For the service-user, the quality and accessibility of services may vary, especially where providers are working in a geographical area as large, rural, and diverse as Somerset. The shift can raise concerns about accountability and the maintenance of standards, mainly due to voluntary organisations not being subject to the same oversight as public sector bodies (Dacombe, 2011). This brings us to the issue of appropriation.

Appropriation

Alongside substitution is the linked problem of appropriation. National government, local authorities and the NHS wish to harness the qualities of flexibility, responsiveness and innovation through joint mechanisms for commissioning, service design and delivery, and service evaluation (HM Government, 2018). While there is a rhetoric of working in partnership, the power relationships are far from equal. This is when partnership can rapidly tip-over into appropriation. A closer working relationship with government has bought increased bureaucratisation, greater expectations of service delivery, coverage, and control over client groups (DeVerteuil et al 2020; Hucklesby and Corcoran, 2016). Appropriation therefore refers to the integration or co-opting of voluntary sector resources, methods, or roles by the public sector with the specific result that the sector is required to meet the same demands on quality, consistency, accountability, governance, equity and access. This damages the impact of VCFSEs on the people and communities they seek to serve.

> "They don't understand the additional work we have to do and want us to work like they do, this is challenging, unproductive and relationship destroying."

Another form of appropriation happens unwittingly, through the process of 'signposting' - a now ubiquitous term for helping a member of the community to identify and access support. The range of activities, advice and support that someone could be signposted towards is huge - much of it provided by VCFSEs.[1] Whilst the instinct to 'join things up' is a good one, there are three potential risks to VCFSEs. First, working in a joined-up way does not always build capacity, energise, or create spaces of innovation for VCSFEs. Second, there is a risk that signposting (or 'handholding') feels like a proxy for action. Examples of this could include metrics or measures of the number of people signposted but not the outcome for those people. We refer to this as a focus on '*process over outcome*'. Third, making the diverse range of VCFSEs visible to a wider audience may increase demand in a way that is unsupported, both financially, and in terms of what VCFSEs can deliver. To avoid the risks of appropriation, it is necessary to reflect on two questions:

- **What is the ask of VCFSE organisations?**
- **What is the offer to VCFSE organisations?**

It is also important to bear in mind that the answers might vary for VCFSE organisations of different sizes and capacities.

> "Sometimes when I'm talking to colleagues who are coming from a statutory perspective, they use the word collaborate, well, actually, they actually mean as a partnership, or a contract, where they're the commissioner, and you're doing what they want you to do."

System Maturity

Integrated Care Systems are still finding their feet but increasing system maturity should be a priority.

The need for a 'system wide approach' to challenges in the delivery of public services is frequently invoked (Government Office for Science, 2022). However, taking a systems approach (key within integrated care systems) requires unpicking decades of policies, practices, processes, deeply engrained thinking, and cultures of working that have contributed to significant levels of mistrust of the system by VCFSEs. We're at a stage where it is important to reflect on whether the System itself is mature enough to fully embrace collaborative working at every scale – particularly when this involves collaboration between the local authority and the incredibly diverse VCFSE ecosystem across Somerset.

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[1] Types support offered by VCFSEs: accommodation/housing/homelessness; addiction; adult education or learning/careers advice or support; advice; campaign groups; carers' support'; community groups (lunch clubs, chat cafes, WI, Men's Shed, gardening, social meetups); community transport; community safety; counselling services; criminal justice organisations (support for victims of crime, supporting offenders); employment, skills and training; environmental groups; faith-based groups; food (cooking classes, food bank); health (support for specific conditions); immigration support/refugee and asylum support; older people support; sports and physical activity groups (sports clubs, dancing, exercise classes, walking groups); youth work.

There are concerns within Somerset's VCFSE sector about whether the wider system has reached sufficient maturity to fully realise the potential of integrated care and productive collaboration with the voluntary sector. There are doubts about whether system leaders are truly ready to let go of traditional ways of working and hierarchical control so that the voluntary sector can flourish in this new model (Interviewee 2).

Specific issues raised include:

1. Lack of trust and flexibility from statutory bodies like councils, with a tendency to micromanage and impose bureaucratic processes on voluntary groups (Group Interview 1).
2. The voluntary sector feeling it is not given a meaningful voice or role in key decision-making forums within the ICS (Group Interview 2).
3. Rigid commissioning approaches and criteria that don't align with the voluntary sector's ability to innovate and adapt to community needs (Interviewee 24).
4. Entrenched power dynamics and lack of understanding about the voluntary sector's characteristics (Group Interview 1, 2, 3).
5. Uncertainty about whether the system has the maturity and readiness for the cultural shift required for true integration and co-production (Group Interview 1, 2, 3).

There is a sense that while progress has been made, much more work is needed in areas like building trust, nurturing relationships and developing a shared vision across sectors for the ICS model to reach its full transformative potential in Somerset (Group Interview 1, 2, 3 and Interviewee 24).

What does system maturity mean in the context of the relationship between the ICS and VCFSE? Of importance is structural integration and consideration of how different parts of the system are linked and coordinated. This requires:

1. A clear understanding of what, who, and where are component parts of the system, and what can they individually contribute to the design and delivery of public services. This is particularly the case when thinking about the sheer diversity of the VCFSE sector.
2. A shared vision of what collaboration means, what it can achieve, and paying close attention to different priorities and expertise.
3. Well-developed, co-designed mechanisms to foster collaboration which recognise that the opportunity to collaborate must be attuned to the capacity of VCFSEs to do so, including offering financial support if necessary.
4. A system that is responsive to need, recognising that need might be expressed in ways that do not align with current assessment, measurement or evaluation practices.
5. A system that has the space, resources and appetite for innovation and is not constantly in survival mode, with hostile competition between VCFSEs.

An obvious next step is to test Somerset against the SCIROCCO[2] tool (Pavlickova 2017) of system maturity, which comprises the following 12 dimensions: readiness to change; structure and governance; e-health services; standardisation and simplification; funding; removal of inhibitors; population approach; citizen empowerment; evaluation methods; breadth of ambition; innovation management; and capacity building.

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[2] SCIROCCO: Scaling Integrated Care in Context.

Conclusion

A well-supported VCFSE sector with a meaningful voice in service design and delivery has immense potential to support and enable:

- Somerset Council to deliver its four ambitions
- an effective ICS
- and - most importantly - resilient, happy, healthy communities

Looking at the big picture, the formation of the Integrated Care System in Somerset provides both a strategic and operational focus of delivery. It seeks to bring together individuals and organisations with different strategic, managerial and operational responsibilities – a process which requires careful management to ensure it can fully reach its potential.

Integration must be seen as a process, not an event. There is much to be done to establish new systems and cultures that promote prevention, collaboration, inclusion, and community-based models of care. The business of trying to open a space of innovation in service design and delivery can quickly become secondary to addressing performance challenges within the local authority and the acute care sector. This is the overarching context in which VCFSEs are operating and in which all the issues raised in this report will be addressed: commissioning, funding, nurturing the ecosystem, avoiding appropriation and developing system maturity.

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Quay Research undertakes research that creates positive change. We are a collective of social sciences researchers with over 20 years of experience of working with the VCFSE sector.

Spark Somerset supports and champions Somerset's voluntary and community organisations to help change lives and build healthy, resilient communities.

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Appendix 1 – Eight Commitments to Managing Grants and Relationships

The Institute for Voluntary Action Research (n.d.) have produced eight commitments to managing grants and relationships in a way that reflects funders' confidence in and respect for the organisations they fund (table 1).

Commitment	Summary
Don't waste time	Explain priorities clearly; be open and transparent about requirements and exclusions.
Ask relevant questions	Collect only the information needed to make the funding decision; test application forms to remove ambiguity and overlap.
Accept risk	Review requirements for minimum reserve levels, financial projections etc; remove detailed activity plans and trust organisations make their own operational decisions.
Act with urgency	Make decisions in a timeframe that meets the needs of applicants.
Be open	Be transparent about decisions; give feedback; publish success rates and reasons for rejection.
Enable flexibility	Give unrestricted funding which allows recipients to respond to changing priorities and needs; contribute to operating costs as well as project costs.
Communicate with purpose	Be clear about time commitments; jointly agree expectations; be open to challenges in the grant relationship.
Be proportionate	Light touch, proportional, meaningful reporting;

Table 1: Eight commitments to managing grants and relationships (Institute for Voluntary Action Research, n.d.)